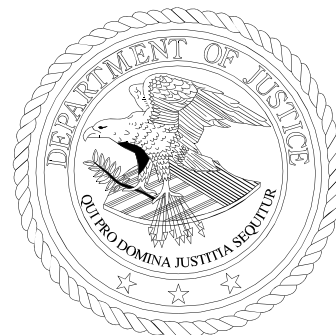


NEWS

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Christopher J. Christie, U.S. Attorney

More Information? Call the Assistant U.S. Attorney or other contact listed below to see if more information is available.

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New York Lawyer Indicted for Alleged Union Embezzlement

(More)

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NEWARK – A New York lawyer appeared in federal court today after being indicted in

an embezzlement scheme that victimized a New Jersey union he represented as an attorney, U.S. Attorney Christopher J. Christie announced.

John Gregory Lynch, 63, is charged with conspiring to embezzle more than \$296,000 from the Professional Employee's Guild (PEG) of Hackensack and the union's welfare fund between May and November 2001. The scheme to embezzle allegedly involved, among others, the participation of John Kraemer, now deceased and formerly of New Rochelle, N.Y., a twice-convicted union officer.

Kraemer had been barred from any union activity due to his convictions in 1987 and again in 2000 for embezzlement from another union, Local 29 of the Retail, Wholesale, Department Store Workers Union AFL-CIO, based in Hackensack.

The Indictment was returned on Oct. 24. Lynch appeared today for an initial appearance before U.S. Magistrate Judge Claire C. Cecchi, who set bail for Lynch at \$100,000 and ordered him to surrender both his U.S. and Irish passports.

The two-count Indictment charges Lynch with conspiracy to embezzle from PEG and conspiracy employ a barred union officer

The scheme to embezzle involved, among others, the participation of Kraemer, a union officer who was barred from any union activity because of his convictions in 1987 and again in 2000 for embezzlement from Local 29 of the Retail, Wholesale, Department Store Workers Union AFL-CIO.

Lynch was the retained attorney for the PEG union and its benefit funds. He also acted as the broker of record who negotiated insurance rates for the PEG Welfare Fund. As a broker, he reaped huge commissions (\$1.8 million) over a five-year period from AETNA US Healthcare. Lynch is alleged to have then split the commissions with Kramer.

Lynch was also charged with conspiring to permit the barred Kramer to serve as a consultant to Lynch's insurance firm, the Quincy Adams Group, whose activities were devoted almost exclusively to providing insurance services to the PEG Welfare Fund.

The conspiracy to embezzle from the PEG operating account carries a statutory maximum sentence of five years in prison, a \$250,000 fine and restitution to the union. The conspiracy to employ a barred union officer also carries a maximum sentence of five years in prison and a \$250,000 fine.

Under the advisory U.S. Sentencing Guidelines, Judge Susan D. Wigenton, to whom the case has been assigned, would, upon conviction, determine an actual sentence based upon a formula that takes into account the severity and characteristics of the offense and

the defendant's criminal history, if any. Parole has been abolished in the federal system.

The case was investigated and indicted by Assistant U.S. Attorney V. Grady O'Malley, chief of the Strike Force Unit in the U.S. Attorney's Office in Newark. He was assisted by Special Agents from the Department of Labor, Office of Inspector General and the Employee Benefit Security Agency.

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